



Gaza Response – Fraud Awareness November 2023

Responsibility to Identify and Report Potential Diversion of U.S Humanitarian Aid to Hamas and Other Foreign Terrorist Organizations

On October 18, 2023, the United States announced that it is providing \$100 million in humanitarian assistance for the Palestinian people in Gaza and the West Bank.

The USAID Office of Inspector General (USAID OIG) has identified this area as high-risk for potential diversion and misuse of U.S.-funded assistance. **It is USAID OIG's investigative priority to ensure that assistance does not fall into the hands of foreign terrorist organizations (FTOs) including, but not limited to, Hamas.**

To report suspected diversion, fraud, corruption, or other serious misconduct go to our [Hotline Portal](#)

USAID OIG expects prompt reporting from UN agencies, nongovernmental organizations (NGOs), and contractors operating in Gaza and the West Bank of allegations of misuse of USAID assistance. U.S. law affords protections from retaliation to employees of NGOs and contractors who wish to submit a complaint.



USAID OIG has identified deliberate interference and efforts to divert humanitarian assistance in regions where FTO activity is prevalent. This includes: systemic coercion of aid workers by FTOs; imposition of taxes, duties, and fees on USAID awardees and beneficiaries; and FTO influence over beneficiary selection and internally displaced persons camp management.

In addition to other pre-award vetting measures, USAID requires applicants for grants or cooperative agreements to certify that in the three years prior to award, they have not knowingly engaged in transactions, or provided material support or resources to entities sanctioned under U.S. counter-terrorism regulations.¹ OIG investigates, and works with the U.S. Department of Justice to prosecute, cases in which USAID grantees have made such false certifications:

¹ <https://www.usaid.gov/sites/default/files/2022-12/303mav.pdf>

- [United States of America v. Norwegian People's Aid](#) (S.D.N.Y., 15 Civ.4892, 2018), in which the defendant paid over \$2 million to settle claims that it had made false certifications to USAID by concealing both its past material support to Iran, and support during the term of the award to Hamas, the Popular Front for the Liberation of Palestine, and the Democratic Front for the Liberation of Palestine.
- [United States of America v. American University of Beirut](#) (S.D.N.Y., 14 Civ. 6899, 2017) in which the defendant paid \$700,000 to settle claims that it concealed past material support to three organizations affiliated with Hezbollah.

USAID OIG-Identified Risks to USAID Programs in Nonpermissive Environments

- Eligible sub-awardees or vendors are limited to those who have formal or informal authorization from armed groups.
- Employees and third-party monitors are regularly threatened or detained or accompanied by members of armed groups during activities.
- Local governing bodies and/or NGO employees resist or attempt to delay increased monitoring or beneficiary verification exercises.
- Armed groups or local governing bodies express keen interest in having certain names added to beneficiary lists.
- Beneficiary receipts or other documentation have similar handwriting or appear doctored.
- Insufficient supporting documentation when NGOs conduct transactions with unlicensed, unregulated, and/or informal money transfer agents.